Notice of Allowability	Application No.	Applicant(s)
	09/939,771	TANAKA ET AL.
	Examiner	Art Unit
	Jerome Grant II	2626
The MAILING DATE of this communication appears on the cover sheet with the correspondence address All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS. This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.		
1. This communication is responsive to		
2. The allowed claim(s) is/are 1-18.		
3. A The drawings filed on 28 August 2001 are accepted by the Examiner.		
 4. Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f). a) All b)		
Attachment(s) 1. ☑ Notice of References Cited (PTO-892) 2. ☐ Notice of Draftperson's Patent Drawing Review (PTO-948) 3. ☐ Information Disclosure Statements (PTO-1449 or PTO/SB/0: Paper No./Mail Date	6. ☐ Interview Summary (Paper No./Mail Date 8), 7. ☐ Examiner's Amendm	 .

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Reasons for Allowance

Claims 1-5 are allowed for the reason the prior art does not teach in claimed combination, N-level/M-level quantization circuit as claimed and the error diffusion circuit as claimed.

Claim 6 is a method claim where the specifics of the N-level and M-level basis of quantization is not provided for in the prior art in combination with distributing the error based upon the N-level and M-level basis as claimed.

Claims 7-15 are allowed for the reason the prior art does not teach or suggest in claimed combination, "... threshold setting circuit for setting the quantization threshold to be used in the circuit in a periodically variable manner and error calculation reference vale setting circuit for variably setting a reference value to be used for the error calculation in the error calculating circuit."

Claims 16-18 are allowed for the reason the prior art does not teach or suggest in claimed combination, "...setting the quantization threshold in a periodically variable manner and variably setting a reference value for the error calculation."

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Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jerome Grant II whose telephone number is 703-305-4391. The examiner can normally be reached on Mon.-Fri. from 9:00 to 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kimberly A Williams, can be reached on 703-305-4863. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

